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C O N F I D E N T I A L SECTION 01 OF 02 PRETORIA 002370

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SUBJECT: ANC POLICY CONFERENCE LEAVES DOOR SLIGHTLY AJAR
FOR MBEKI

REF: PRETORIA 2294

Classified By: Deputy Chief of Mission Donald Teitelbaum. Reasons 1.4(b) and (d).

11. (C) SUMMARY. The ANC Policy Conference ended on 30 June exactly as it started, with ANC members bitterly divided over who the party's next president will be. The unresolved succession debate overshadowed the conference, disappointing those who hoped it would reveal any changes to the party's ideology or a clear signal regarding the future leadership. Both Mbeki and Zuma camps celebrated the party's vaguely worded recommendation that "the ANC President should preferably be the ANC candidate for the President of the Republic...but that this should not be made a principle." In essence, the recommendation is a compromise and only serves to highlight that Zuma continues to have mass appeal at the grassroots level, while Mbeki largely has control over party structures. END SUMMARY.

CONFERENCE OVERSHADOWED BY SUCCESSION

12. (C) The 27-30 June ANC Policy Conference was, as expected, overshadowed by the succession debate, but more specifically, whether Mbeki should be allowed to run again as ANC President. (NOTE: The South African Constitution prohibits Mbeki from running for a third term as South African President, but the ANC Constitution has no term limits on the party's presidency. END NOTE) The ANC Youth League (ANCYL), backed by KwaZulu-Natal and Free State Provinces, rejected the notion that Mbeki should be able to run again, even though the ANC Constitution does not proscribe term limits. Eastern Cape and NorthWest Provinces, along with cabinet ministers Essop Pahad, Thoko Didiza, and Sydney Mufamadi, openly backed the third term option. In the end, Secretary General's Kgalema Motlanthe's suggestion that "the ANC President should preferably be the ANC candidate for the President of the Republic...but that this should not be made a principle," was accepted. Political analyst Sabelo Ndlangisa, who attended the conference, told PolOff on 30 June that both Zuma and Mbeki camps were rightfully celebrating. Zuma supporters believe the recommendation clearly supports their argument that rests on a traditional pattern of practice; where as Mbeki's supporters believe that it supports a traditional principle that has just never been tested.

13. (C) Mbeki publicly responded to the proposal by repeating the party's mantra that if the party chooses him, he will serve another term as ANC President. He also added that he will respect the party's decision if it decides its interests would be better served by someone else. Zuma, on the other

hand, told delegates that the "status quo" -- the ANC President should become the President of the Republic -- should be followed. Both camps will now go back to their branches to garner support for their interpretation of this compromise formula and their candidates, who still appear to be either Zuma or Mbeki. The formal nomination process for the top six leadership positions will begin in September and be determined by December.

LIMITED DEBATE AROUND POLICY RECOMMENDATIONS...

¶4. (C) Few policy recommendations achieved consensus, with much of the actual policy debate either being subsumed by the succession debate or kicked down the road for further discussion. Ndlangisa confided that he was surprised at how unremarkable discussions were around economic and social policies, given the fact that many of the left's demands were not met. For example, it was decided that:

- industrial and macroeconomic policy will remain more or less intact, though the leadership acknowledged the need for a more "developmental state;"
- more debate is needed on the viability of instituting and paying for free education;
- basic income grants (welfare payments) can be extended for 14-18 year old head of households, but further expansion needs more debate;
- all grants should be tied to some form of work to prevent developing a culture of dependency; and
- foreign land ownership should be regulated but not prohibited; and that
- monopoly "capital" should not be declared the "enemy of the people."

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¶5. (C) On political issues, parliamentary "floor crossing" will remain as will the current number of provinces, again with more debate needed. Delegates were not able to come to a conclusion on the size of the National Executive Committee, but did agree to a 50/50 gender parity and the "idea of a generational mix." The ANCYL unsuccessfully tried to argue that a 50/50 gender parity was "tokenism," even as they argued for the generational mix. The few recommendations to make it out of the conference included strengthening the secretary general's office, retaining the role of the ANC

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presidency as the "political head" of the organization, and establishing a women's ministry, a national pharmaceutical company, and a political school/think tank.

EXCEPT AROUND PRESIDENTIAL POWERS

¶6. (C) Delegates, however, sent a clear message to Mbeki about his appointment authority by recommending that Mbeki's powers to appoint premiers and mayors should be devolved from the Presidency to the ANC constitutional structures. This is most likely in response to many ANC members belief that the leadership has distanced itself from the rank and file while too much power is being concentrated in the hands of the state President. Recommendations state that in the future, the president must consult the NEC when he appoints or reshuffles his cabinet. Provincial Executive Committees (PECs), which until now have had no say in appointments, will be empowered to make recommendations for premier, but the NEC would make the final decision. Regional Economic Committees (REC) would also make recommendations on mayoral positions, with the PEC having final say. These recommendations further blur the line between the Party and the State.

COMMENT

¶7. (C) Though the resolution on succession is being sold as a pragmatic compromise, it simply defers the issue to the ANC national conference in December when the next ANC leader is

chosen. In the meantime, the battle between Mbeki and Zuma is only going to intensify. However, with potential corruption charges still looming over Zuma and strong anti-Mbeki sentiment on the ground, a compromise candidate could still emerge, resulting in a race that remains too uncertain to call.

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